

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BILLY GOLEY, INDIVIDUALLY AND
BILLY GOLEY D/B/A TOWN AND COUNTRY
WATER DISTRICT

)
)
)
) CASE NO. 95-475
)

ALLEGED VIOLATIONS OF COMMISSION
REGULATIONS 807 KAR 5:006 AND
807 KAR 5:066

)
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ORDER TO SHOW CAUSE

Billy Goley, d/b/a Town and Country Water District, is a person who owns and operates facilities used for the distribution and furnishing of water to the public for compensation in Logan County, Kentucky, and is, therefore, a utility subject to Commission jurisdiction. KRS 278.010(3)(d).

KRS 278.280 authorizes the Commission to prescribe rules for performance of any service furnished or supplied by a utility. Pursuant to this authority, the Commission has promulgated Commission Regulation 807 KAR 5:006, which establishes general rules for all utility operations and Commission Regulation 807 KAR 5:066, which establishes general rules for the operation of water utilities.

On September 16, 1992, Commission Staff ("Staff") conducted a pre-inspection of Town and Country Water District ("Town and Country"), which is an investor-owned utility and not a water district, to review its facility operations and office procedures for compliance with the Kentucky Revised Statutes and Commission

regulations.¹ In its report of this inspection, which is appended hereto, Staff listed 25 instances where the utility failed to comply with Commission regulations.

On June 30, 1993 and November 14, 1994, Staff inspected Town and Country's records and facilities for compliance with Commission regulations. In its reports of these inspections, which are appended hereto, Staff listed 15 and 13 instances, respectively, where the utility failed to comply with Commission regulations.

On September 18, 1995, a chronology of the Division of Water's ongoing enforcement case (Case No. DOW 92276) was filed with the Commission. The chronology, which is appended hereto, contains information that constitutes an alleged violation of Commission Regulation 807 KAR 5:066, Sections 3 and 4.

Section 3 of 807 KAR 5:066 states that the utility "shall conform to all legal requirements of the Natural Resources Cabinet for construction and operation of its water system as pertains to sanitation and potability of the water." Section 4 of 807 KAR 5:066 states, inter alia, that "[e]ach utility shall have representative samples of its water examined by the appropriate state or local agency or by a competent chemist and bacteriologist skilled in the sanitary examination of water, under methods approved by the Natural Resources Cabinet, to insure a safe water supply."

¹ In the Commission's letter to Mr. Goley dated June 8, 1992, which is appended hereto, the Commission enclosed copies of the laws and regulations pertinent to water utilities.

Having reviewed the inspection reports and the above-referenced chronology and being otherwise sufficiently advised, the Commission finds that a prima facie showing has been made that Billy Goley, individually, and Billy Goley d/b/a Town and Country Water District is in willful violation of Commission Regulations 807 KAR 5:006 and 807 KAR 5:066.

The Commission, on its own motion, HEREBY ORDERS that:

1. Billy Goley shall appear before the Commission on December 14, 1995, at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violations of Commission Regulations 807 KAR 5:006 and 807 KAR 5:066, and of showing cause why Billy Goley, individually, and Billy Goley d/b/a Town and Country Water District should not be subject to the penalties prescribed in KRS 278.990(1) for these violations.

2. Billy Goley shall submit to the Commission, within 20 days of the date of this Order, a written response to the allegations contained herein and to the contents of the Inspection Reports and the Division of Water chronology.

3. The Commission's letter to Mr. Goley dated September 17, 1992, regarding the September 16, 1992 pre-inspection of Town and Country Water District; the Utility Inspection Report of July 8, 1993 and that of November 28, 1994; and, the chronology from the Division of Water are appended hereto and are made part of the record of this proceeding.

4. The record in Case No. 95-130² is hereby incorporated into the record of this proceeding.

5. Any motion requesting an informal conference with Commission Staff to consider the simplification of issues or any other matters which may aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this order.

Done at Frankfort, Kentucky, this 1st day of November, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

² Case No. 95-130, Town and Country Water District, Alleged Violations of Commission Regulations 807 KAR 5:006 and 5:066.

APPENDIX
APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 95-475 DATED November 1, 1995



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
710 SCHENCK LANE
POST OFFICE BOX 615
FRANKFORT KY 40602
(502) 564-1940

September 17, 1992

Mr. Billy Goley, Owner
Town and Country Water District
1687 Highland Lick Road
Russellville, Kentucky 42276

Dear Mr. Goley:

On September 16, 1992, a pre-inspection of Town and Country Water District ("Town and Country") was made to review its facility operations and office procedures for compliance with the Kentucky Revised Statutes (KRS 278) and the Public Service Commission Regulations (807 KAR). The utility representative providing this information and assistance during this inspection was Billy Goley, owner.

This pre-inspection will be used as an informative critique whereby the utility can be evaluated how its current procedures rate according to KRS 278 and 807 KAR. The Commission staff will return to Town and Country within a 12-month period to re-evaluate how many of the following listed deficiencies have been corrected. The following deficiencies were noted during the September 15, 1992 pre-inspection.

1. The utility is not filing the periodic ("Quarterly") meter report with the Commission as required in accordance with 807 KAR 5:006, Section 3(2).
2. The utility is not clearly showing on its bill the following information: class of service, present and last preceding meter reading, all taxes and gross amount of bill as required by 807 KAR 5:006, Section 6(1).
3. The utility is not furnishing a copy of its rate schedule to its customers once a year pursuant to 807 KAR 5:006, Section 6(1).

Mr. Billy Goley
Page 2
September 17, 1992

4. The utility does not accrue interest on deposits at the rate prescribed by law, beginning on the date of deposit pursuant to 807 KAR 5:006, Section 7(6).
5. The utility is not refunding to the customer or crediting to the customer's bill all interest accrued on deposits on an annual basis as required by 807 KAR 5:006, Section 7(6).
6. The utility is not keeping a record of all written complaints concerning utility service as required in 807 KAR 5:006, Section 9.
7. The utility is not providing notice to the complainant of his right to file a complaint with the Commission with the address and telephone number of the Commission pursuant to 807 KAR 5:006, Section 9.
8. The utility is not maintaining a telephone number to permit all customers to contact the utility as required in 807 KAR 5:006, Section 13(1a).
9. The utility does not conduct any meter testing nor does any other agency perform this duty as required in 807 KAR 5:066, Section 16(2).
10. The utility is not maintaining meter history or meter test cards as required by 807 KAR 5:006, Section 17(1 & 2)
11. The utility's employees do not wear any distinguishing uniform or other insignia, identifying them as an employee of the utility as required by 807 KAR 5:006, Section 19.
12. The utility does not have a safety program outlined on performance of work, safety methods, occupational hazards and artificial respiration as specified in 807 KAR 5:006, Section 24.
13. The utility has not adopted an inspection procedure to assure safe and adequate operation of its facilities as required in 807 KAR 5:006, Section 25(1).

Mr. Billy Goley
Page 3
September 17, 1992

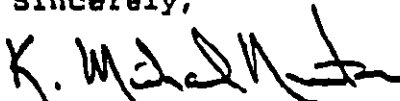
14. The utility is not providing to its customers information regarding the chemical constituents and bacteriological standards pursuant to 807 KAR 5:066, Section 2(1).
15. The utility is not providing to its customers a schedule of rates for water service applicable to the service to be rendered to the customer in accordance with 807 KAR 5:066, Section 2(2).
16. The utility does not conform to all legal requirements of the Natural Resources Cabinet for construction and operation of its water system as pertains to sanitation and potability of the water pursuant to 807 KAR 5:066, Section 3(1).
17. The utility is not having representative samples of its water examined by the appropriate state or local agency or a competent chemist and bacteriologist to insure a safe water supply pursuant to 807 KAR 5:066, Section 3(4a).
18. The utility's minimum storage capacity for its distribution system is not equal to the average daily consumption as required by 807 KAR 5:066, Section 4(4).
19. The utility is not maintaining a record of interruptions of service for its entire system. This record should include: the cause of interruption; date, time, duration, remedy, and steps taken to prevent recurrence as specified in 807 KAR 5:066, Section 4(5).
20. The utility does not have a recording pressure gauge that can record a continuous 24-hour test as specified in 807 KAR 5:066, Section 5(2).
21. The utility is not maintaining a recording pressure gauge in continuous service a minimum of one (1) week per month at a representative point on the utility's mains as required by 807 KAR 5:066, Section 5(2).

Mr. Billy Goley
Page 4
September 17, 1992

22. The utility is not performing nor keeping records of annual pressure surveys as specified by 807 KAR 5:066, Section 5(3).
23. The utility does not maintain a record of the quantity of water produced at each source as specified in 807 KAR 5:066, Section 6(1).
24. The utility is not testing meters removed from service for any reason as required by 807 KAR 5:066, Section 15(2)
25. The utility is not testing its meters periodically pursuant to 807 KAR 5:066, Section 16(1).

Upon receipt of this letter, Town and Country should begin appropriate action to correct any noted deficiency not meeting the Commission's regulations. If you should need any clarification regarding any of the above deficiencies, please feel free to call me at (502) 564-3940, Ext. 415.

Sincerely,

 EB.
K. Michael Newton
Utility Investigator

KMN:aem

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

Town and Country Water District
Russellville, Kentucky

Utility operations, utility maintenance, utility management and their effect on utility services are a primary concern of the Commission and this Division. Our ongoing inspection program is an expression of this concern. During each inspection, I am stressing: (1) the importance of periodic testing of customers' meters, (2) the importance of accounting for all water purchased and/or produced, (3) the need for surveillance of system operations and (4) the significance of good operating records.

The subject inspection was made June 30, 1993. The utility consists of a distribution system operating in Logan County, Kentucky. It has approximately 107 customers on its system. The utility representative providing information and assistance during this inspection was Billy Goley, owner of the District.

The District's facility operations and its office procedures were reviewed for compliance with the Kentucky Revised Statutes (KRS 278) and the Public Service Commission Regulations (807 KAR).

The following deficiencies were noted:

1. The utility is not filing the periodic ("Quarterly") meter report with the Commission as required in accordance with 807 KAR 5:006 Sec.3(2).
2. The utility is not furnishing a copy of its rate schedule to its customers once a year pursuant to 807 KAR 5:006 Sec.6(1).

3. The utility does not accrue interest on deposits at the rate prescribed by law, beginning on the date of deposit pursuant to 807 KAR 5:006 Sec.7(6).
4. The utility is not publishing its telephone number to permit all customers and prospective customers to contact the utility as required by 807 KAR 5:006 Sec.13.
5. The utility is having its testing of meters performed by an agency which is not approved by the Commission. The utility is required to have an agency who has been certified and approved by the Commission pursuant to 807 KAR 5:006 Sec.16(3).
6. The utility is not maintaining meter history or meter test cards as required by 807 KAR 5:006 Sec.17(1 & 2).
7. The utility's employees do not wear any distinguishing uniform or other insignia, identifying them as an employee of the utility as required by 807 KAR 5:006 Sec.19.
8. The utility does not have a safety program outlined on performance of work, safety methods, occupational hazards and artificial respiration as specified by 807 KAR 5:006 Sec.24.
9. The utility has not adopted an inspection procedure to assure safe and adequate operation of its facilities as required by 807 KAR 5:006 Sec.25(1).
10. The utility is not providing to its customers information regarding the chemical constituents and bacteriological standards pursuant to 807 KAR 5:066 Sec.2(1).
11. The utility's minimum storage capacity for its distribution system is not equal to the average daily consumption as required by 807 KAR 5:066 Sec.4(4).

12. The utility does not have a recording pressure gauge that can record a continuous 24-hour test as specified by 807 KAR 5:066 Sec.5(2).
13. The utility is not maintaining a recording pressure gauge in continuous service a minimum of one (1) week per month at a representative point on the utility's mains as required by 807 KAR 5:066 Sec.5(2).
14. The utility is not performing nor keeping records of annual pressure surveys as specified by 807 KAR 5:066 Sec.5(3).
15. The utility is not testing its meters periodically pursuant to 807 KAR 5:066 Sec.16(1).

Recommendations

A written response should be prepared and forwarded to the Public Service Commission within 30 days of the date of receipt of this report. This response should say what has been done or what will be done to correct each noted deficiency. A starting date and a completion date should be given for actions that are to be accomplished after the date the response is mailed.

Submitted,
July 8, 1993


K. Michael Newton
Utility Investigator

CGR:KMN:aem

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

Town and Country Water District
Russellville, Kentucky

Utility operations, utility maintenance, utility management and their effect on utility services are a primary concern of the Commission and this Division. Our ongoing inspection program is an expression of this concern. During each inspection, I am stressing: (1) the importance of periodic testing of customers' meters, (2) the importance of accounting for all water purchased and/or produced, (3) the need for surveillance of system operations and (4) the significance of good operating records.

The subject inspection was made November 14, 1994. The utility consists of a distribution system operating in Logan County, Kentucky. It has approximately 112 customers on its system. The utility representative providing information and assistance during this inspection was Billy Goley of the District.

The District's facility operations and its office procedures were reviewed for compliance with the Kentucky Revised Statutes (KRS 278) and the Public Service Commission Regulations (807 KAR).

The following deficiencies were noted:

1. The utility does not publish its telephone number in all service areas to permit all customers to contact the utility without charge as specified by 807 KAR 5:006 Sec.13(1a).

2. The utility is having its testing of meters performed by an agency which is not approved by the Commission. The utility is required to have an agency who has been certified and approved by the Commission pursuant to 807 KAR 5:006 Sec.16(3).
3. The utility does not have any meter test or history cards as required by 807 KAR 5:006 Sec.17.
4. The utility has changed out approximately 25-30 water meters. An additional 25-30 meters have been installed within the last 4-5 years. However, Town and Country has approximately 45-50 meters which have not been tested periodically as required in 807 KAR 5:066 Sec.16(1).
5. The utility has not filed a copy of its inspection procedures with the Commission for review pursuant to 807 KAR 5:006 Sec.25(1).
6. The utility is not filing the periodic ("Quarterly") meter report with the Commission as required in accordance with 807 KAR 5:006 Sec.3(2).
7. The utility is not furnishing a copy of its rate schedule to its customers once a year pursuant to 807 KAR 5:006 Sec.6(1).
8. The utility is not providing to its customers information regarding the chemical constituents and bacteriological standards pursuant to 807 KAR 5:066 Sec.2(1).
9. The utility has not established and included its deposit policy in its filed tariffs as required by 807 KAR 5:006 Sec.7(7).
10. The utility's minimum storage capacity for its distribution system is not equal to the average daily consumption as required by 807 KAR 5:066 Sec.4(4).
11. The utility does not have a recording pressure gauge that can record a continuous 24-hour test as specified by 807 KAR 5:066 Sec.5(2).

12. The utility is not maintaining a recording pressure gauge in continuous service a minimum of one (1) week per month at a representative point on the utility's mains as required by 807 KAR 5:066 Sec.5(2).
13. The utility is not performing nor keeping records of annual pressure surveys as specified by 807 KAR 5:066 Sec.5(3).

Recommendations

A written response should be prepared and forwarded to the Public Service Commission within 30 days of the date of receipt of this report. This response should say what has been done or what will be done to correct each noted deficiency. A starting date and a completion date should be given for actions that are to be accomplished after the date the response is mailed.

Submitted,
November 28, 1994



K. Michael Newton
Utility Investigator

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APPENDIX
AN APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 95-475 DATED November 1, 1995

PHILLIP J. SHEPHERD
SECRETARY



BRERETON C. JONES
GOVERNOR

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
FRANKFORT OFFICE PARK
14 REILLY ROAD
FRANKFORT, KENTUCKY 40601

RECEIVED

SEP 18 1995

GENERAL COUNSEL

September 13, 1995

Ms. Denise Payne Wade, Attorney
Public Service Commission
730 Schenkel Lane, P.O. Box 165
Frankfort, Kentucky 40602

Case No. 95-130

Re: Town & Country Water District
Case No. DOW 92276
Logan County, Kentucky

Dear Denise:

The following is a chronology of the Division of Water's ongoing enforcement case against Billy Goley d/b/a/ Town and Country Water District:

- 10/9/92 Case referred to the DOW's Enforcement Branch by the Bowling Green Regional Office. This water system had been in existence for approximately 18 years without the knowledge and approval of the DOW. Mr. Goley has owned the water system since May 1983.
- 11/4/92 Administrative Conference held. Mr. Goley agrees to remedial measures and \$3,000 civil penalty payment. Agreed Order to be drafted.
- 1/21/93 Agreed Order (AO) sent to Mr. Goley for signature. Signed AO and check for civil penalty amount due back within 10 days.
- 3/15/93 Mr. Goley did not sign and return the AO, citing his inability to pay the civil penalty. DOW offers to restructure the penalty payment into 6 installments of \$500 each. Revised AO mailed out.
- 5/3/93 Mr. Goley would not sign AO. Case is referred to NREPC attorney for legal resolution.
- 5/5/93 DOW places Town and Country Water District on a water line extension ban and tap-on-ban to prevent further customer hook-up.



6/25/93 Administrative Complaint filed. Prehearing Conference set for September 15, 1993.

9/15/93 Prehearing Conference held. Mr. Goley appears on his own behalf. Formal hearing scheduled for December 2, 1993.

11/19/93 Order rescheduling formal hearing for January 27, 1994 due to Mr. Goley having retained an attorney who moved for a continuance.

11/30/93 Mr. Goley decides to settle the case outside of a formal hearing by agreeing to sign an Agreed Order.

12/15/93 Mr. Goley signs AO.

2/28/94 NREPC Secretary signs final Order.

Letter sent by NREPC attorney to Mr. Goley's attorney citing Mr. Goley's failure to pay first civil penalty installment.

3/4/94 Mr. Goley submits first and second installments, both overdue.

7/11/94 Letter sent by NREPC attorney to Mr. Goley for failure to submit third and fourth civil penalty installments.

9/12/94 Mr. Goley submits overdue third and fourth installments.

10/9/94 Letter sent by NREPC attorney to Mr. Goley informing him that fifth installment was overdue and demanding that remaining balance of civil penalty (\$1,000) be immediately paid in full.

1/9/95 NREPC attorney informs the Enforcement Branch that Mr. Goley indicated during their last conversation that he would not pay remaining civil penalty.

2/24/95 The city of Russellville notifies Mr. Goley that, due to his failure to pay the monthly charges, they will no longer provide him with a certified operator, or collect monthly bacteriological samples.

4/24/95 The Division of Water issues Town and Country Water District a Notice of Violation by certified mail for failure to conduct lead and copper monitoring. The NOV is returned to the DOW marked "unclaimed."

8/29/95 The DOW issues another Notice of Violation to Town and Country Water District (copy attached) for violations of the Agreed Order. Included among the violations is the water district's failure to submit monthly bacteriological samples since February 1995.

9/7/95 I met with the NREPC attorney on this date to discuss proceeding with filing suit against Town and Country in Franklin Circuit Court.

I am also enclosing a copy of the Agreed Order for your records.

I hope this information is helpful to your case. If anything else is needed, please contact me at 564-3410, extension 573.

Sincerely,

Lora S. Combs

Lora S. Combs, Enforcement Specialist
Western Case Preparation Section
Enforcement Branch
Division of Water

LSC/js
Enclosure
cc:

PWSID 0710286
Logan County

LSC
92276
③

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND
ENVIRONMENTAL PROTECTION CABINET
FILE NO. DOW-19307-143

FILED

FEB 28 1994

OFFICE OF ADMINISTRATIVE HEARINGS

IN THE MATTER OF:

AGREED ORDER

Mr. Billy Goley
d/b/a Town and Country Water District
1687 Highland Lick Road
Russellville, Kentucky 42276

Case No. DOW 92276

* * * * *

WHEREAS, the parties to this Agreed Order, the Natural Resources and Environmental Protection Cabinet (hereinafter the Cabinet) and Billy Goley d/b/a Town and Country Water District (hereinafter Mr. Goley), state:

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapters 223 and 224 and the regulations promulgated pursuant thereto.

2. Mr. Goley owns and operates a community public water system (PWSID No. 0710286) as defined by 401 KAR 8:010, serving the Reedville Subdivision in Logan County, Kentucky.

3. An inspection by an authorized agent of the Cabinet, conducted on September 25, 1992, revealed the following violations of KRS Chapters 223 and 224, and the regulations promulgated pursuant thereto, at the facility described in paragraph 2 of this Agreed Order:

- a. failure to properly operate and maintain a public water system, a violation of 401 KAR 8:020;
- b. failure to submit Monthly Operating Reports (MORs), violations of 401 KAR 8:020;
- c. failure to secure a certified operator in direct responsible charge of the water system, a violation of 401 KAR 8:030;

- d. failure to submit plans and specifications for Division of Water approval prior to any construction, expansion, or modification of the water system, a violation of 401 KAR 8:100; and
- e. failure to submit two bacteriological samples per month for total coliform analysis, violations of 401 KAR 8:200.

4. On September 25, 1992, the Cabinet issued a Notice of Violation to Mr. Goley for the violations stated in paragraph 3 of this Agreed Order.

5. Mr. Goley attended an administrative conference at the Division of Water in Frankfort, Kentucky, on November 4, 1992, and admitted all the violations described in paragraph 3 of this Agreed Order.

6. An inspection by an authorized agent of the Cabinet, conducted on October 6, 1993, revealed the following violations of KRS Chapters 223 and 224, and the regulations promulgated pursuant thereto, at the facility described in paragraph 2 of this Order:

- a. failure to properly operate and maintain a public water system, a violation of 401 KAR 8:020; and
- b. failure to provide a minimum free chlorine residual of two-tenths (0.2) milligrams per liter at all points throughout the distribution system, a violation of 401 KAR 8:150.

7. On October 11, 1993 the Cabinet issued a Notice of Violation to Mr. Goley for the violations stated in paragraph 6 of this Order.

8. Mr. Goley admits all the violations described in paragraph 6 of this Order.

NOW THEREFORE, in the interest of settling all claims and controversies involving this matter, Mr. Goley and the Cabinet hereby consent to the entry of this Agreed Order and agree as follows:

REMEDIAL MEASURES

9. Mr. Goley shall secure by January 1, 1994, and maintain thereafter, a certified water distribution system operator.

10. Mr. Goley shall submit MORs to the Division of Water by the tenth (10th) day of the month following the month addressed in the MOR.

11. Mr. Goley shall submit daily free chlorine residual readings on the MORs.

12. Mr. Goley shall maintain a minimum 0.2 ppm free chlorine residual at all points in the distribution system.

13. Mr. Goley shall submit to the Division of Water by January 1, 1994 "as-built" plans and specifications for the existing water system to the Division of Water by January 1, 1994.

14. Prior to any future construction, expansion or modification of the water system, Mr. Goley shall submit plans and specifications to the Division of Water for approval.

15. Mr. Goley shall submit to the Division of Water two bacteriological samples per month for total coliform analysis, plus any required repeat samples or resamples. Sample results shall be submitted to the Division of Water by the tenth (10th) day of the month following the month in which the samples are taken.

16. Mr. Goley shall submit a Bacteriological Sample Siting Plan to the Division of Water by January 1, 1994.

17. Within ten (10) days of selling the public water system, Mr. Goley shall submit written notice of the sale to the Division of Water, Drinking Water Branch.

PENALTIES

18. Mr. Goley shall pay the Cabinet a civil penalty in the amount of three thousand dollars (\$3,000), which shall be payable in six installments of five hundred dollars (\$500) each. The first installment payment shall be due on January 1, 1994, the second installment due by March 1, 1994, the third installment due by May 1,

1994, the fourth installment due by July 1, 1994, the fifth installment due by September 1, 1994 and the sixth, and final, installment due by November 1, 1994, for the violations referenced in paragraphs 3 and 6 of this Agreed Order. If Mr. Goley fails to pay any of the installment payments on the due day stated herein above or defaults in the performance of any other term, covenant, or remedial measure in this Agreed Order, the remaining unpaid balance of the civil penalty shall be immediately due and payable in full at the option of the Cabinet without notice or demand, which is expressly waived by Mr. Goley.

19. Mr. Goley shall pay the Cabinet a stipulated civil penalty in the amount of five thousand dollars (\$5,000), within fifteen (15) days of mailing of written notice from the Cabinet, for failure to comply with any requirements of this Agreed Order. This penalty is in addition to, and not in lieu of, any other penalty which could be assessed. The stipulated penalty specified in this paragraph shall be waived after a period of fifteen months from the date of execution of this Agreed Order by the Secretary of the Natural Resources and Environmental Protection Cabinet only if all terms of this Agreed Order have been fulfilled.

20. Mr. Goley shall tender all penalty payments to the Cabinet by certified check or money order, payable to the Kentucky State Treasurer. Payment shall be mailed to the Kentucky Division of Water, Enforcement Branch, 14 Reilly Road, Frankfort, Kentucky 40601.

MISCELLANEOUS PROVISIONS

21. This Agreed Order addresses only those violations specifically set out or referred to above, and nothing contained herein shall be construed to waive or limit any remedy or cause of action, including issuance, reissuance, modification, suspension, revocation, reopening, or denial of permits, of the Cabinet based on laws or regulations under its jurisdiction. Furthermore, the Cabinet expressly reserves its right at any time to issue administrative orders or take any other action, including

judicial, administrative, or permitting, it deems necessary, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred.

22. Each separate provision, condition or duty contained in this Agreed Order may be the basis for an enforcement action for a separate violation and penalty pursuant to KRS Chapters 223 and 224, upon failure to comply with the terms of this Agreed Order.

23. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that Mr. Goley's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapters 223 and 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, Mr. Goley shall remain solely responsible for compliance with the terms of KRS Chapters 223 and 224, the regulations promulgated pursuant thereto this Agreed Order and any other permit requirements.

24. Mr. Goley waives his right to any hearing on the matters admitted herein. However, failure by Mr. Goley to comply strictly with the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and pursue any other appropriate administrative or judicial action under KRS Chapters 223 and 224.

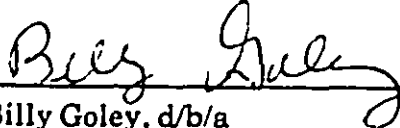
25. The provisions of this Agreed Order shall apply to and be binding upon the parties to this action, their officers, directors, agents, servants, employees, successors, assigns, and all persons, firms and corporations in active concert or participation with them. Mr. Goley shall give notice of this Agreed Order to any successors in interest prior to the transfer of ownership and/or operation of any part of his now existing facility and shall notify the Cabinet that such notice has been given and follow all statutory and regulatory requirements for such a transfer.

Regardless of whether or not any such transfer takes place, Mr. Goley shall remain fully responsible for payment of all penalties and the performance of all remedial measures.

26. This Agreed Order may not be amended except by a written order of the Cabinet's Secretary. Mr. Goley may request an amendment by writing the Division of Water and stating the reason(s) for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

27. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary of the Cabinet or his designee as evidenced by his signature thereon. Should this Agreed Order contain any date by which Mr. Goley is to take any action, and should the Secretary execute the Agreed Order after that date, then Mr. Goley is nonetheless obligated to have taken the action by the date contained in this Agreed Order.

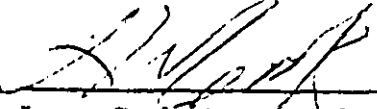
AGREED TO BY:



Billy Goley, d/b/a
Town and Country Water District

12/15/93

DATE



Larry Cook, Attorney for
Billy Goley, d/b/a
Town and Country Water District


12/15/93

DATE

APPROVAL RECOMMENDED BY:


Jack A. Wilson, Director
Division of Water


DATE


Susan M. Shern
Attorney for the Cabinet
Department of Law


DATE


E. Douglas Stephan, Commissioner
Department of Law

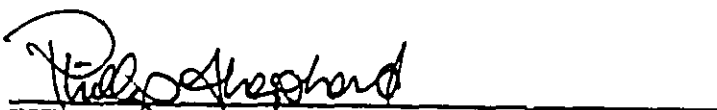

DATE

SB, Hearing Officer recommends approval 2/20/94

CASE NO. 92276

ORDER

WHEREAS, the foregoing Agreed Order is entered as the final Order of the Natural Resources and Environmental Protection Cabinet this 28th day of February, 1994.

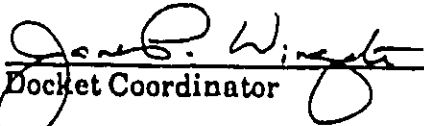

PHILLIP J. SHEPHERD, SECRETARY
NATURAL RESOURCES AND
ENVIRONMENTAL PROTECTION CABINET

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing AGREED ORDER was mailed, postage pre-paid, to the following this 28th day of February, 1997:

Mr. Billy Goley
d/b/a Town and Country Water District
1687 Highland Lick Road
Russellville, Kentucky 42276

Hon. Larry Cook
P.O. Box 904
Russellville, Kentucky 42276


Docket Coordinator

DISTRIBUTION:

Division of Water, Janet Allgair
Order File
Susan Silverman, Attorney
Department of Law
Steve Blanton, Hearing Office
bjc1193

RdE

JD

CRS

cc: Bowling Green RC
Drinking water Br.
Env file

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER
FRANKFORT, KENTUCKY 40601

NOTICE OF VIOLATION

To: Mr. Billy Goley
Responsible Party
Address
City, State, Zip

Facility Name: Town & Country Water Dist.
I.D.# (if applicable): 0710286
County: Logan
Date of Violation: 11/1/85

As specified below, you are in violation of the
KRS 151, (x) KRS 223, (x) KRS 224

Section:

A violation of the following follows: Violation of Agreed Order No. DOW 92276

Failure to submit monthly residual readings; failure to submit Monthly

submit daily free chlorine residual readings;

microbiological samples; and failure to submit bacteri-

Remedial measures required include, but are not limited to: Immediately abide

by the terms of Agreed Order No. DOW 92276.

Remedial measures must be completed by:

Violations of the above cited statutes and regulations are subject to penalties of up to \$25,000 per day. Compliance with remedial measure deadlines does not provide exemption from liability for violations during the period of remediation. Any person who knowingly violates the aforementioned statutes may be subject to criminal prosecution. To discuss this Notice of Violation, please contact the undersigned at: (502) 664-7410.

Issued By: Gene Cumba Date: 11/1/85

Date:

Name of person to whom copy was delivered:

Date:

How Delivered: Certified Mail Personal Service